GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3226
ANSWERED ON:12.03.2003
REPORT OF NATIONAL SAMPLE SURVEY ORGANISATION
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether attention of the Government has been drawn to the 56th survey report of the National Sample Survey Organisation regarding the challenges being faced by the unorganized industrial units of small scale industries;

(b) if so, the details thereof and the percentage of units being affected as a result thereof; and

(c) the facilities proposed to be given by the Government to this sector to meet the said challenges?

Answer

MINISTER OF SMALL SCALE INDUSTRIES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (P. THAKUR)

(a) & (b): The National Sample Survey Organisation (NSSO) in its 56th Round conducted an all India sample survey of unorganized manufacturing enterprises comprising those that were not covered under the Annual Survey of Industries (ASI) conducted by them. The ASI is conducted every year by NSSO to survey all the manufacturing enterprises that are registered under Sections 2 (m) (i) and 2 (m) (ii) of Factories Act, 1948 and under the Bidi and Cigar Workers (Conditions of Employment) Act, 1966. The main criteria for coverage under ASI is that the manufacturing enterprises should be engaging 10 or more workers and using power or engaging 20 or more workers and not using power. Since the definition of small scale industries (SSI) sector is in terms of upper ceiling of original value of plant and machinery, some part of the SSI sector is covered in ASI and another part is inter alia covered in the sample survey of unorganized manufacturing. Hence, the 56th Round survey conducted by NSSO is not a comprehensive survey of the SSI sector. However, the problems being faced by the unorganized manufacturing enterprises as reported by the NSSO in its 56th Round are shortage of capital, problem of marketing of products, power problems, competition from larger units etc.

(c): Taking into consideration, the higher potential for growth in the Small Scale Industries (SSI) sector in terms of output, employment and exports, the strategy for Tenth Plan is to strengthen the sector to enable it to remain competitive in market-led economy and generate additional jobs. For achieving these objectives, the SSI sector would be provided proper and timely inputs like:

1. Adequate credit/ loans from financial institutions/ banks.

2. Funds for technology upgradation and modernisation.

3. Adequate infrastructure facilities;

4. Modern testing facilities and quality certification laboratories;

5. Modern management practices and skill upgradation through advanced training facilities;

6. Marketing assistance.

7 Level playing field at par with the organised sector.